

Auditing Procedures Report

Issued under P.A. 2 of 1988, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Greenwood Township	County Oceana
Fiscal Year End 3/31/06	Opinion Date 5/25/06	Date Audit Report Submitted to State 06/20/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).


YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☐ ☒ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☐ ☒ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Jodi DeKuiper		Telephone Number 231-924-6890	
Street Address 711 W. Main Street		City Fremont	State MI
Zip 49412			
Authorizing CPA Signature 	Printed Name Jodi DeKuiper, CPA		License Number 1101021180

**TOWNSHIP OF GREENWOOD
OCEANA COUNTY, MICHIGAN**

**FINANCIAL STATEMENTS
MARCH 31, 2006**

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TOWNSHIP OF GREENWOOD

Township Board

	<u>Position</u>
Thomas Deater	Supervisor
Sandy Gustman	Treasurer
Bill Deater	Clerk
Ron Stroven	Trustee
Steve Stroven	Trustee



Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



Township Board
Township of Greenwood
Oceana County
Hesperia, Michigan

Independent Auditor's Report

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of Greenwood Township as of and for the year ended March 31, 2006 as shown on pages 2 through 5, which collectively comprise a portion of the Township's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Township's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in the government-wide financial statements for the Township's governmental activities are not reasonably determinable.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Greenwood Township as of March 31, 2006 or the changes in its financial position or its cash flows, where applicable, for the year then ended.

Hendon & Slate

Hendon & Slate, P.C.
Certified Public Accountants
May 25, 2006

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TOWNSHIP OF GREENWOOD

Governmental Fund Balance Sheet March 31, 2006

	General Fund	Fire Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Assets			
Cash and Investments	\$ 269,597	\$ -	\$ 269,597
Taxes Receivable	5,441	3,455	8,896
Due from Other Funds	<u>1,542</u>	<u>19,018</u>	<u>20,560</u>
Total Assets	<u>\$ 276,580</u>	<u>\$ 22,473</u>	<u>\$ 299,053</u>
 Liabilities and Fund Equity			
 Liabilities			
Accounts Payable	\$ 2,229	\$ 22,473	\$ 24,702
Due to Other Funds	18,446	-	18,446
Deposits (Knox Bond)	<u>10,118</u>	<u>-</u>	<u>10,118</u>
Total Liabilities	30,793	22,473	53,266
 Fund Equity			
Fund Balances - Unreserved	<u>245,787</u>	<u>-</u>	<u>245,787</u>
 Total Liabilities and Fund Equity	<u>\$ 276,580</u>	<u>\$ 22,473</u>	<u>\$ 299,053</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWOOD

Governmental Fund Statements of Revenue, Expenditures, and Changes in Fund Balance For the Year Ended March 31, 2006

	General Fund	Fire Fund	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenues			
Taxes	\$ 39,745	\$ 22,473	\$ 62,218
Licenses and Permits	970	-	970
State Grants	83,973	-	83,973
Charges for Services	40	-	40
Interest	5,688	-	5,688
Other	3,875	-	3,875
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	134,291	22,473	156,764
 Expenditures			
Legislative	12,965	-	12,965
General Government	61,191	-	61,191
Public Safety	13,188	22,473	35,661
Public Works	17,085	-	17,085
Recreation and Culture	1,540	-	1,540
Other	10,673	-	10,673
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	116,642	22,473	139,115
 Excess Revenue Over (Under)			
Expenditures	17,649	-	17,649
 Fund Balance - Beginning	<u>228,138</u>	<u>-</u>	<u>-</u>
 Fund Balance - Ending	<u>\$ 245,787</u>	<u>\$ -</u>	<u>\$ 17,649</u>

The Notes to the Financial Statements are an integral part of this statement

TOWNSHIP OF GREENWOOD

Statement of Net Assets - Agency Fund March 31, 2006

	<u>Trust and Agency Funds</u>
Assets	
Cash and Investments	<u>\$ 15,573</u>
Total Assets	<u>\$ 15,573</u>
 Liabilities and Net Assets	
Liabilities	
Due to Other Funds	\$ 2,114
Due to Other Units	574
Due to Schools	<u> 12,885</u>
Total Liabilities	15,573
 Net Assets	
Unreserved	<u> -</u>
 Total Liabilities and Net Assets	<u>\$ 15,573</u>

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWOOD

Statement of Changes in Net Assets and Liabilities - Agency Fund March 31, 2006

	Current Tax Collection Fund			
	Balance 4/1/2005	Additions	Deductions	Balance 3/31/2006
Assets				
Cash and Investments	\$ 42,393	\$ 758,894	\$ 785,714	\$ 15,573
Taxes Receivable	-	-	-	-
Total Assets	\$ 42,393	\$ 758,894	\$ 785,714	\$ 15,573
Liabilities				
Due to General Fund	\$ 3,548	\$ 31,556	\$ 33,562	\$ 1,542
Due to Fire Fund	1,975	17,615	19,018	572
Due to County and ISD	11,429	443,229	450,907	3,751
Due to Schools				
Fremont	11,836	80,533	87,688	4,681
Holton	248	23,370	23,618	-
Hesperia	9,966	132,022	137,535	4,453
Due to Library	3,391	30,569	33,386	574
Total Liabilities	\$ 42,393	\$ 758,894	\$ 785,714	\$ 15,573

The Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF GREENWOOD

Notes to the Financial Statements March 31, 2006

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Greenwood Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except for the reporting requirements under GASB #34 (due to the lack of government-wide financial statements and management's discussion and analysis). The following is a summary of the significant policies used by Greenwood Township.

1. Reporting Entity

The reporting entity is a general law township as defined by the laws of the State of Michigan. The Township is governed by a Supervisor and Township Board.

As defined by Governmental Accounting Standards Board (GASB) No. 14, the financial reporting entity consists of (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The primary government has financial accountability if it:

- a. Appoints a voting majority of the organization's board, and, has the ability to impose its will on the organization; or
- b. There is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

Based on this criteria, there are no other entities included in this report.

2. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is when they become both measurable and available to finance expenditures of the fiscal period.

a. State Shared Revenue Receivable

State Shared Revenue is distributed in six installments per year. Often the last payment has not been received by March 31; therefore, a receivable is recorded for this amount. The final payment of \$13,537 was received in March 2006, thus no receivable is recorded.

b. Property Taxes Receivable

The Township property tax is levied on each December 1st on the taxable valuation of the property (as defined by state statutes) located in the Township as of the preceding December 31st. The taxes are due on September 14th and February 14th, with the final collection date of February 28th before they are added to the County tax rolls. The 2005 delinquent taxes of \$8,896 were received after the year-end and recorded as revenue for the current year.

The 2005 taxable valuation of the Township totaled \$23,824,758 on which ad valorem taxes levied consisted of 1.1580 mills for general operating and .9446 mills for fire protection. These amounts are recognized in the respective general and special revenue fund financial statements as current tax revenue.

The government reports the following major governmental funds:

The General fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Fire fund accounts for the resources of property tax revenue and charges for services that are restricted for fire protection purposes.

3. Assets, Liabilities, and Fund Balance

Bank Deposits and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to each fund based on the cash balance in each fund.

Receivables and Payables - In general, outstanding balances between funds are reported as "due to/from other funds". Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds".

Inventories and Prepaid Items - Payments for inventorable types of supplies are recorded as expenditures at the time of purchase. Normally expenditures are not divided between years by the recording of prepaid expenses. There were no material inventories at year end.

Fund Balance - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

4. Budgets and Budgetary Accounting

P.O. 621 of 1978, Section 18(1), as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated.

In the body of the financial statements, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on an activity basis. The approved budgets of the township for these funds were adopted on the activity level. The budgets shown in these financial statements are as last amended through March 31, 2006.

During the year ended March 31, 2006, the Township did not incur material overexpenditures.

5. Reporting Entity

The financial statements of Greenwood Township do not include any other governmental boards or authorities based on a determination made with the control or dependence in the areas of budget adoption, taxing authority, funding and appointment of respective boards.

6. Encumbrances

The Township does not use any form of encumbrance accounting.

7. Estimates

Management uses estimates and assumption in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported revenues and expenditures/expense. Actual results could differ from those estimates.

NOTE B DEPOSITS AND INVESTMENTS

Legal Provisions for Deposits and Investments - The Investment of Surplus Funds of Political Subdivisions Act No. 20, Public Acts of 1943, as amended through December 31, 1997, state the Township, by resolution may authorize the Treasurer to invest surplus finds in one or more of the following:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2).
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and that matures not more than 270 days after the date of purchase.
- d. Repurchase agreements consisting of instruments listed in subdivision (a).
- e. Bankers' acceptances of the United States banks
- f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating
- g. Mutual funds registered under the investment company act of 1940, title I of chapter 686, 54 Stat. 789, 15 U.S.C. 80a-1 to 801-3 and 80a-64, with the authority to purchase only investment vehicles that are legal for direct investment by a public corporation.

However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:

1. The purchase of securities on a when-issued or delayed delivery basis.
 2. The ability to lend portfolio securities as long as the mutual fund receives collateral all times equal to at least 100% of the securities
 3. The limited ability to borrow and pledge a like portion of the portfolio's assets for temporary or emergency purposes.
- h. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the Urban Cooperations Act of 1967, 1967 (Es Sess) PA7 MCL 124.501 to 124.512.
 - i. Investment pools organized under the surplus Funds investment Pool Act, 1982 PA 367, 129.111 to 129.118
 - j. The investment pools organized under the Local government Investment Pool Act, 1985 PA 121, MCL 129.141 to 129.150.

Investments are normally categorized to give an indication of the level of risk assumed by the Township; however, money market funds are not categorized because they are not evidenced by securities that exist in physical or book entry form. Management believes the investments in the funds comply with the investment authority noted above. Deposits are carried at cost. Cash deposits of the Township are in two separate financial institutions: Community Shores Bank and Shelby State Bank of Hesperia. These accounts are in the Township's own name.

Notes to the Financial Statements (continued)

The Township's deposits are in accordance with statutory authority as follows:

	Carrying Amount	Market Value
Certificates of Deposits		
Community Shores - 5214	\$ 60,006	\$ 60,006
Community Shores - 5214	50,032	50,032
Shelby State Bank - 31853	50,858	50,858
Total	160,896	160,896
Cash		
General - 860064	145	1,949
General - 636126	98,438	98,438
Total	98,583	100,387
Tax - 860130	15,573	15,573
Total Cash	114,156	115,960
Knox Bond Deposit	10,118	10,118
Total CD's, Cash & Deposits	\$ 285,170	\$ 286,974
FDIC Insured		\$ 217,522
Uninsured		69,452

NOTE C INTERFUND RECEIVABLES AND PAYABLES

	Receivable	Payable
General Fund	\$ 1,542	\$ 18,446
Fire Fund	19,018	-
Trust and Agency (Tax)	-	2,114
	\$ 20,560	\$ 20,560

These amounts represent delinquent taxes and the Fire Fund's portion of property taxes that were collected by the General Fund. The entire amount is expected to be paid within one year.

NOTE D CAPITAL ASSETS

Management has not presented government-wide financial statements, and thus, neither capital assets nor the related depreciation and accumulated depreciation are reported.

NOTE E JOINT VENTURE - HESPERIA AREA FIRE AUTHORITY

The Townships of Greenwood, Newfield, and Denver have together established the Hesperia Area Fire Authority. Two resident members from each township are appointed to the Joint Administrative Fire board and a third for a term of six years, resident member is appointed from each township in alternating years for a term of one year. The townships shall contribute funds to the department for both capital and operating activities. The proceeds will be levied from one millage collected in each township. Any additional costs shall be paid equally by all townships. The Township does not report an equity interest in this joint venture in these financial statements because the Township does not have an explicit and measurable right to the joint venture's resources. The Township is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Financial information based on the March 31, 2006 audit report of the Hesperia Area Fire Authority follows:

Total Assets	\$ 21,727
Total Liabilities	61
Net Assets	<u>\$ 21,666</u>
Operating Revenues	\$ 121,289
Operating Expenses	<u>(120,880)</u>
Excess Revenues over Expenditures	<u>\$ 409</u>

Complete financial statements for Hesperia Area Fire Authority may be obtained from Al Daniels, 8320 E. M-20, Hesperia, MI 49421.

NOTE F RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets and omissions; and natural disasters for which the Township carries commercial insurance. Liabilities in excess of insurance coverage, if any, are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

TOWNSHIP OF GREENWOOD

Budgetary Comparison Schedule for General Fund For the Year Ended March 31, 2006

	Budgeted Amounts			Variance to
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	\$ 34,000	\$ 38,300	\$ 39,745	\$ 1,445
Licenses and Permits	1,000	700	970	270
State Grants	82,000	81,800	83,973	2,173
Charges for Services	150	50	40	(10)
Interest	4,000	4,600	5,688	1,088
Refunds and Rebates	-	3,000	3,338	338
Other	400	250	537	287
Total Revenues	121,550	128,700	134,291	5,591
Expenditures				
Legislative	11,000	13,000	12,965	35
General Government	73,500	74,900	61,191	13,709
Public Safety	16,000	16,000	13,188	2,812
Public Works	18,300	20,300	17,085	3,215
Recreation and Culture	1,800	1,500	1,540	(40)
Other	11,100	11,050	10,673	377
Total Expenditures	131,700	136,750	116,642	20,108
Excess Revenue Over (Under)				
Expenditures	(10,150)	(8,050)	17,649	25,699
Fund Balance - Beginning	172,954	226,445	228,138	1,693
Fund Balance - Ending	\$ 162,804	\$ 218,395	\$ 245,787	\$ 27,392

TOWNSHIP OF GREENWOOD

Budgetary Comparison Schedule for Fire Fund For the Year Ended March 31, 2006

	Budgeted Amounts			Variance to
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
Revenues				
Taxes	<u>\$ 22,473</u>	<u>\$ 22,473</u>	<u>\$ 22,473</u>	<u>\$ -</u>
Total Revenues	22,473	22,473	22,473	-
Expenditures				
Public Safety	<u>22,473</u>	<u>22,473</u>	<u>22,473</u>	<u>-</u>
Total Expenditures	22,473	22,473	22,473	-
Excess Revenue Over (Under)				
Expenditures	-	-	-	-
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

TOWNSHIP OF GREENWOOD

Statement of Revenues, Expenditures, and Changes in Fund Balance - General Fund (Budget and Actual) For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes and PTAF	\$ 38,300	\$ 39,745	\$ 1,445
Licenses and Permits	700	970	270
State Grants-Shared Revenue	81,800	83,973	2,173
Charges for Services	50	40	(10)
Interest	4,600	5,688	1,088
Refunds and Rebates	3,000	3,338	338
Other	<u>250</u>	<u>537</u>	<u>287</u>
Total Revenues	128,700	134,291	5,591
Expenditures			
Legislative			
Township Board			
Salaries and Wages		4,180	
Supplies		792	
Transportation		49	
Education and Training		204	
Professional Services		7,160	
Printing and Publishing		541	
Miscellaneous		<u>39</u>	
Total Legislative	13,000	12,965	35
General Government			
Supervisor			
Salaries and Wages		9,200	
Transportation		516	
Education and Training		<u>72</u>	
	\$ 10,500	\$ 9,788	\$ 712

Statement of Revenues, Expenditures and
Changes in fund Balance - General Fund (continued)

Elections

Salaries and Wages	\$	727	
Supplies		1,166	
Transportation		114	
Printing and Publishing		<u>794</u>	

\$	4,000	2,801	\$	1,199
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Assessor

Supplies		312	
Professional Services		9,328	
Printing and Publishing		<u>1,008</u>	

10,000	10,648	(648)
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Clerk

Salaries and Wages		9,420	
Supplies		465	
Education and Training		72	
Professional Services		<u>25</u>	

10,500	9,982	518
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Board of Review

Salaries and Wages		1,360	
Supplies		25	
Education and Training		130	
Printing and Publishing		<u>358</u>	

200	1,873	(1,673)
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Treasurer

Salaries and Wages		9,470	
Supplies		1,210	
Transportation		705	
Education and Training		147	
Professional Services		372	
Printing and Publishing		1,208	
Miscellaneous		<u>71</u>	

\$	14,000	\$	13,183	\$	817
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Statement of Revenues, Expenditures and
Changes in fund Balance - General Fund (continued)

Township Hall and Grounds			
Salaries and Wages		70	
Supplies		2,892	
Repairs and Maintenance		272	
Contracted Services		5,264	
Professional Services		85	
Capital Outlay		<u>3,651</u>	
	25,000	12,234	12,766
Cemetery		70	
		<u>612</u>	
	700	682	18
Total General Government	74,900	61,191	13,709
Public Safety			
Zoning Administrator			
Salaries and Wages		4,500	
Supplies		<u>62</u>	
	5,000	4,562	438
Planning Board			
Salaries and Wages		5,070	
Supplies		31	
Transportation		113	
Education		130	
Printing and Publishing		<u>181</u>	
	5,500	5,525	(25)
Fire Board	1,500	1,550	(50)
Fire Protection	1,500	1,322	178
Ordinance Officer			
Salaries and Wages		130	
Transportation		<u>99</u>	
	<u>2,500</u>	<u>229</u>	<u>2,271</u>
Total Public Safety	\$ 16,000	\$ 13,188	\$ 2,812

Statement of Revenues, Expenditures and
Changes in fund Balance - General Fund (continued)

Public Works			
Highways, Streets and Bridges	\$ 20,000	\$ 16,897	\$ 3,103
Street Lighting	<u>300</u>	<u>188</u>	<u>112</u>
Total Public Works	20,300	17,085	3,215
Recreation and Cultural			
Library Board	<u>1,500</u>	<u>1,540</u>	<u>(40)</u>
Total Recreation and Cultural	1,500	1,540	(40)
Unallocated			
Fringe Benefits		3,587	
Insurance		6,845	
Tax Tribunal Refunds		<u>241</u>	
Total Unallocated	<u>11,050</u>	<u>10,673</u>	<u>377</u>
Total Expenditures	<u>136,750</u>	<u>116,642</u>	<u>20,108</u>
Excess Revenues Over			
(Under) Expenditures	<u><u>\$ (8,050)</u></u>	17,649	<u><u>\$ 25,699</u></u>
Fund Balance - Beginning		<u>228,138</u>	
Fund Balance - Ending		<u><u>\$ 245,787</u></u>	

TOWNSHIP OF GREENWOOD

Statement of Revenue, Expenditures, and Changes in Fund Balance-Fire Fund (Budget and Actual) For the Year Ended March 31, 2006

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Revenues			
Taxes	<u>\$ 22,473</u>	<u>\$ 22,473</u>	<u>\$ -</u>
Total Revenues	22,473	22,473	-
Expenditures			
Public Safety			
Professional Services	<u>22,473</u>	<u>22,473</u>	<u>-</u>
Total Expenditures	22,473	22,473	-
Excess Revenue Over (Under)			
Expenditures	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
Fund Balance - Beginning		<u>-</u>	
Fund Balance - Ending		<u><u>\$ -</u></u>	



Hendon & Slate, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS CONSULTANTS



May 30, 2006

Township Board
Greenwood Township
Oceana County, Michigan

Dear Board Members:

In connection with our audit of Greenwood Township as of and for the year ended March 31, 2006, we offer the following comments and recommendations.

BOOKS AND RECORDS

As always, the accounting records for Greenwood Township were again in excellent condition. Both the clerk and treasurer should be commended for their efforts.

TAX DISBURSEMENTS

The Township is required to make a final adjustment and delivery of tax collections by April 1st of each year. The Township did not receive final adjusted amounts from the County until April 1, 2006 and final disbursements were not made until April 10, 2006.

GASB 34

The Township again decided not to implement GASB 34. Although, the State of Michigan is still accepting audits without the government-wide financial statements, the MD&A, and the infrastructure information, as required by GASB 34, we were required to qualify our opinion on the Township's financial statements. As always, if the board should decided to implement GASB 34 in a future year, we would be happy to assist you in the implementation of this new standard.

CAPITALIZATION POLICY

Under the new financial statements of GASB 34 certain items recorded as capital outlay will also be recorded as fixed assets on the government wide financial statements. Although, the Township has not yet implemented GASB 34, a capitalization policy should still be adopted as required by the State of Michigan. We recommend using a \$500 minimum dollar amount. A sample capitalization policy has been provided to the board for reference.

If any of you board members have questions or concerns regarding our audit, the financial statements or this letter, please do not hesitate to call.

Thank you for the courtesy extended to us during our audit. We look forward to continuing to serve Greenwood Township.

Respectfully submitted,

Jodi DeKuiper, CPA

Jodi A. DeKuiper, CPA
Hendon & Slate, P.C.

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